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COMPANY BYLAWS OF INMOBILIARIA COLONIAL, SOCIMI, S.A.

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TITLE I NAME, REGISTERED OFFICE, CORPORATE PURPOSE AND DURATION OF THE COMPANY

Article 1. Company Name

The company is called "INMOBILIARIA COLONIAL, SOCIMI, S.A." (the **"Company"** or **"Inmobiliaria Colonial"**) and is governed by these bylaws and, where any provision is made herein, by the precepts of the consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010 of 2 July (the **"Spanish Limited Liability Companies Law"**), and any other provisions that may be applicable.

Article 2. Registered office, branches and company website

The Company is a Spanish company and has its registered office in Madrid, at Paseo de la Castellana, n° 52.

By decision of its Administrative Body, the Company may change its registered office within Spanish territory and may establish, suppress or transfer any delegations, branches, deposits and representations as are deemed opportune or necessary to best achieve the corporate purpose, both in Spain and abroad.

The Company shall decide on an approved company website at the General Meeting which shall be on record at the Commercial Registry. The Board of Directors may agree to modify, move, or remove the Company's website.

Article 3. Corporate purpose

The corporate purpose of the Company is the exercise of the following activities, in Spain or in other countries:

1. To acquire and promote urban real estate property for lease.
2. To hold stakes in the capital of real estate investment trusts (**"SOCIMIs"**), or in that of other companies not resident in Spain with the same corporate purpose as the aforesaid, that are subject to a system similar to that established for SOCIMIs in terms of mandatory distribution of profits, or distribution of profits established in law or in bylaws.
3. To hold stakes in the capital of other companies, whether or not resident in Spain, the main corporate purpose of which is the acquisition of urban real estate property for lease, subject to the same system as that established for SOCIMIs in terms of mandatory distribution of profits, or distribution of profits established in law or in the bylaws, which meet the investment requirements stipulated for such companies.
4. To hold shares or stakes in Collective Real Estate Investment Undertakings regulated by Law 35/2003 of 4 November on Collective Investment Undertakings, or any future regulation replacing it.

The aforesaid activities include in all cases the power to sell or encumber the real estate property or stakes owned by the Company.

In addition to the economic activity arising from the main corporate purpose, the Company may also carry out other ancillary activities, understood as those the revenue from which accounts for less than 20% of Company revenue during each tax period, or those that may be considered as ancillary in accordance with the law applicable at any given time [including, in any case, the management,

refurbishment and operation of real estate property and all manner of studies, reports, appraisals, valuations and expert reports; and, in general, provision of real estate consultancy and advisory services, management, development and sale of property assets and technical assistance by contract to other public or private companies or organisations.

Any corporate activities that are exclusively attributed to specific companies are expressly excluded from its corporate activities.

All activities forming part of the corporate purpose shall be carried out in the manner authorised by the laws prevailing at any given time, with express exclusion of any exclusive activities that are conferred on individuals or legal entities other than this Company by the current legislation.

The activities stipulated may also be carried out by the Company totally or partially in an indirect manner, through stakes in other companies with the same or similar corporate purpose.

Article 4. Duration

The duration of the Company is established for an indefinite term; notwithstanding the foregoing, at the General Meeting, it may, pursuant to legal requirements and/or those established in these bylaws, be agreed at any time to dissolve and liquidate the Company as well as any mergers with or demergers from other companies.

The Company began its business activity on the date the foundation deed was executed.

TITLE II SHARE CAPITAL

Article 5. Share capital

Share capital is set at ONE BILLION, TWO HUNDRED SEVENTY MILLION, TWO HUNDRED EIGHTY SIX THOUSAND, NINE HUNDRED FIFTY TWO EUROS AND FIFTY CENTS (EUR 1,270,286,952.50), divided into 508,114,781 shares, represented by registered book entries with a par value of EUR 2.50 each, of the same class and series, fully subscribed and paid up.

The accounting records of the shares shall be kept by Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Iberclear) and the entities participating therein.

At any time, the Company shall be entitled to obtain data on the shareholders from the entities keeping the accounting records for the book entries, including their addresses and the means of contact available.

Article 6. Increase and reduction of share capital

The share capital may be increased or reduced by resolution at the General Meeting. The General Meeting itself shall determine how to increase or reduce the share capital as well as the terms and the deadlines for the relevant disbursements or reimbursements to be made. The rules concerning how shareholders can exercise their pre-emptive right shall also be established, where applicable, at the General Meeting.

At the General Meeting, pursuant to legal limitations, the Board of Directors may be granted (i) the authority to accord the increase in share capital, on one or more occasions, to an amount determined at the time and in the amount decided, without first consulting the shareholders; and (ii) the authority to establish the date on which the already-adopted resolution to increase share capital is to be conducted in the agreed amount and to establish the relevant conditions, in all matters not covered by agreement at the General Meeting. The delegation may also be granted the authority to exclude preferred subscription rights in accordance with the law.

Article 7. Shareholder status

In case of litigation with respect to the ownership of a share, the Company shall recognize as owner whomever is registered as such in the entries of the accounting records, pursuant to the laws governing the matter of account entries and securities markets, and provided the courts do not determine and rule otherwise.

Article 8. Shareholders' rights

A share provides its legitimate owner the status of shareholder and requires that said owner fully and completely observe the provisions of these bylaws and the resolutions validly adopted by the governing bodies of the Company. Ownership of a share authorizes shareholders to exercise the rights inherent as such, pursuant to these bylaws and Spanish law.

Article 8. bis. Ancillary provisions

Company shareholders who are in any of the situations described in this article will be obliged to comply with the ancillary provisions described below.

The ancillary provisions set out in this article will not entail any compensation by the Company to the shareholder affected in each case. Furthermore, without prejudice to the provisions of this article and Article 37 bis of these Bylaws, the transfer of Company shares (including, therefore, this ancillary provision) is expressly authorised for all purposes between the living or in contemplation of death.

1. Disclosure bonds for shareholders holding significant stakes
 - (a) Any shareholder who holds Company shares at a percentage equal to or greater than 5% of the share capital must disclose such fact to the Board of Directors. Alongside this disclosure, such shareholder must provide a certificate issued by a duly authorised person that certifies for the shareholder the effective tax rate to which the dividend distributed by the Company is subject, together with a statement of whether he/she is the beneficial owner of such dividend. This disclosure obligation is laid down for the purpose of informing the Company if, for this shareholder, the dividend distributed by the Company is subject to an effective tax rate lower than 10%.

The percentage ownership stake and taxation indicated in the preceding paragraph correspond to those stipulated in Article 9.2 of Law 11/2009 of 26 October governing Real Estate Investment Trusts (the “**SOCIMIs Law**”) and, consequently, they are understood to have been automatically changed should these rule be amended or replaced by another.

When the holder of the shares indicated in this section is:

- (i) A depository institution that is formally legitimised as a shareholder in the accounting records but acts on behalf of one or more third parties, then the percentage of stake and taxation referred to in this section are those of such third parties and not of the depository.
 - (ii) A foreign entity to which a regime similar to the regime provided for in the SOCIMIs Law is applicable, then the percentage of stake and taxation provided in this section shall relate to each of its shareholders.
 - (iii) A look-through entity, then the percentage stake and taxation provided for in this section shall relate to each of its partners, shareholders or unitholders.
- (b) Also, as a result of Inmobiliaria Colonial's ownership stake in the French company Société Foncière Lyonnaise ("**SFL**"), any shareholder that is not an individual entity and directly or indirectly holds shares of Inmobiliaria Colonial in a percentage equal to or greater than 10% of the share capital must report this fact to the Board of Directors of Inmobiliaria Colonial. Alongside this disclosure, such shareholder must provide a certificate issued by a duly authorised person that certifies for the shareholder the effective tax rate to which the dividend distributed by the Company is subject, together with a statement of whether he/she is the beneficial owner of such dividend. This disclosure obligation is laid down for the purposes of informing the Company if, for such shareholder, the effective tax rate to which the dividend distributed by the Company is subject gives rise to the accrual by SFL of the French tax provided for in French law in 208.c of the French General Tax Code ("**Code Général des Impôts**").

In this regard, under the Code Général des Impôts, SFL must pay a rate of 20% on the dividend distributed to Inmobiliaria Colonial when the dividend, which is in turn distributed by Inmobiliaria Colonial to any of its shareholders that are not individuals holding at least 10% of its share capital, is subject for such shareholders to a rate less than one third (1/3) of the French corporate tax rate, i.e. 11.15% depending on the prevailing rate.

The percentage of stake and taxation referred to in this section (b) correspond to those provided in the Code Général des Impôts and, consequently, shall be understood to have been automatically modified should this rule be modified or replaced by another.

When the holder of the shares is a depository institution that is formally legitimised as a shareholder in the accounting records but acts on behalf of one or more third parties, then the percentage of stake and taxation referred to in this section shall relate to those of such third parties and not of the depository.

- (c) Any shareholder, whenever falling within any of the cases provided in sections (a) and (b) above, must:
- (i) notify the Board of Directors of any acquisition or transfer of Company shares, irrespective of the number of shares acquired or transferred;
 - (ii) provide, within ten calendar days of the date on which Inmobiliaria Colonial or SFL agree at any time to distribute any dividend or similar amount (e.g. reserves), tax certificates as stipulated in sections (a) and (b) above.

For this purpose, the Company must, by publishing the related relevant event, report to the market any resolution to distribute dividends by Inmobiliaria Colonial or SFL, indicating in all cases the date or dates to which the information contained in such certificates must refer, in order to comply with the tax bonds applicable at all times; and

- (iii) provide (or request third parties to provide) to the Board of Directors the information in writing that the Company requires regarding the effective ownership of the shares or stake in them (accompanied, were the Company to so require, by a formal or notarised statement and/or independent evidence), including any information that the Company deems necessary or advisable for the purposes of determining whether these shareholders or third parties are affected by any of the scenarios described in paragraphs (a) and (b) above. The Company may make such a request at any time and may send one or more requests for information on the same shares.
- (d) The provisions of sections (a) to (c) above shall also apply to any persons holding dividend rights, voting rights or financial instruments on Company shares in the percentages stipulated in sections (a) and (b) above.
- (e) If the person subject to the disclosure obligation fails to comply with sections (a) to (c) above, the Board of Directors shall consider that the dividend is exempt of tax for this shareholder or is taxed at a rate lower than those stipulated in paragraphs (a) and (b) above.

Notwithstanding the foregoing, the Board of Directors may request, at the expense of the shareholder failing to comply with the disclosure bonds stipulated in the preceding paragraphs, a legal report from a renowned law firm in the country in which the shareholder resides to declare the effective tax rate to which the dividend distributed to the shareholder by the Company is subject. The expense incurred by the Company in requesting such report will in all cases be considered to be compensation for the purposes provided in this article.

2. Compensation bonds for shareholders holding significant stakes

- (a) In such cases where, as a result of any of the shareholders falling under any of the cases established in sub paragraph 1 of this article of the Company Bylaws, the following takes place:
 - (i) the Company is obliged to pay the special rate provided for in Article 9.2 of the SOCIMIs Law, or any regulation replacing it; or
 - (ii) distribution of the SFL dividend to Inmobiliaria Colonial accrues the rate established in the Code Général des Impôts, or any regulation replacing it,

such shareholders are obliged to compensate the Company for the loss caused, as provided in the following sections.

- (b) The amount of compensation for each shareholder having caused the loss is the sum of:
- (i) any corporate tax expense arising for the Company from payment to this shareholder of the dividend serving as a basis for calculating the special tax provided for in Article 9.2 of the SOCIMIs Law, or any regulation replacing it; and
 - (ii) the amount that, as provided for in SFL's Company Bylaws, Inmobiliaria Colonial must pay SFL as a result of the tax accrued for SFL in accordance with the Code Général des Impôts or any regulation replacing it, due to taxation of the shareholders of Inmobiliaria Colonial. This amount will be divided by the total number of Company shareholders whose taxation required Inmobiliaria Colonial to pay such amount to SFL, albeit on a basis proportional to the stakes of each shareholder in the share capital.

In all cases, the Company must be held completely harmless in respect of the loss caused as a result of the effective tax rate to which the dividend distributed by the Company is subject for the shareholders. In this regard, compensation shall in all cases include the amount which, once the corporate tax levied on the total amount of compensation has been deducted, offsets the expenses arising from the losses occasioned and the compensation applicable.

The amount of compensation shall be calculated by the Board of Directors, without prejudice to the fact that this calculation may be delegated to one or more directors and to independent third parties. Unless otherwise agreed by the Board of Directors, compensation shall be due the day before payment of the dividend by Inmobiliaria Colonial or SFL.

By way of example, **Appendix I** to these bylaws includes formulas for calculating compensation.

- (c) A person under the compensation obligation is deemed to be a person who, due to their ownership stake and tax features, has occasioned losses to the Company as stipulated in sub paragraph 2 (a) herein. For this purpose, the person causing such loss will be required to compensation, and Inmobiliaria Colonial entitled to claim, the full amount corresponding to the compensation calculated in accordance with section (b) of this article, irrespective of whether the shareholder would have subsequently transferred some or all of his/her shares in the Company.
- (d) The compensation stipulated in the preceding sections shall be offset using any present and future dividends payable to the shareholder in the terms set forth in Article 37 bis of these bylaws, in addition to any other amounts owed by the Company. However, if Inmobiliaria Colonial should see fit, it may demand the compensation stipulated in the preceding sections at any time, by any methods permitted in law.
- (e) The compensation duty provided in this sub paragraph 2 will also apply any shareholders who, irrespective of the tax rate applicable for such shareholder on any dividends received from the Company, has failed to meet the disclosure bonds provided in sub paragraph 1 above in this article.
- (f) In cases where payment in full of compensation may give rise to losses for the Company, the Board of Directors may in the same fiscal year compensate or require an amount less than the amount calculated in accordance with section (b) of this article.

Article 9. Indivisibility of shares

Shares are indivisible. In case of joint ownership, the accounting records shall state the name of all co-owners, who shall be jointly responsible to the Company for any bonds derived from their status as shareholders, and who must designate a single person to exercise, in their name, the rights inherent to their status as shareholders. The same rule shall apply to other cases of joint ownership rights over shares.

Article 10. Rights in rem and encumbrances

The creation of rights in rem or other types of encumbrance on the shares must be registered in the relevant account. The creation of the encumbrance shall become enforceable upon third parties as of the respective registry thereof.

Article 11. Transferability of shares

The transfer of shares shall take place by accounting transfer and shall be enforceable upon third parties as of the respective registration.

Third parties who acquire shares for valuable consideration from a person who, according to the accounting records, is legitimately entitled to transmit them, shall not be subject to claims, unless at the time the shares were acquired the previously mentioned third party acted in bad faith or with gross negligence.

Article 12. Certificates

When deemed necessary, a shareholder's legal status to transfer and exercise his/her rights as such may be proven by presenting certificates that demonstrate the owner's identity and, where applicable, the rights in rem or encumbrance, the identity of the issuer and of the issue, the class, the par value and number of shares included as well as the respective registry or numerical reference or references and their date of issue. The purpose of the certificate and its effective term shall also be specified.

Certificates shall only be issued at the request of the shareholder and in accordance with the entries of the accounting records managed by Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Iberclear) or its participating entities.

TITLE III COMPANY BODIES

Article 13. Company Bodies

The bodies governing the Company are the General Meeting of Shareholders and the Board of Directors.

A) GENERAL MEETING OF SHAREHOLDERS

Article 14. General Meeting

The shareholders, assembled at a duly called General Meeting, shall decide by majority, pursuant to Article 25 hereof, on the matters that are within the powers of the General Meeting. All shareholders, including dissidents and those not attending the meeting, shall be bound by the resolutions reached at the General Meeting. This shall not apply to the rights of separation and appeal as established by law.

All General Meetings shall be held in a Spanish city as agreed upon by the administrative body.

Article 15. Types of General Meetings

The administrators may call either Annual or Extraordinary General Meetings. Annual General Meetings must be held within the first six months of each fiscal year to, where applicable, vote on company performance, the accounts for the previous fiscal year and resolve the application of the results. An Extraordinary General Meeting is any other not deemed an Annual General Meeting.

Article 16. Call

All General Meetings must be called by a notice published in the Official Gazette of the Commercial Registry or in one of Spain's major newspapers, on the Company's website and on the website of the Spanish Securities Market Commission (CNMV), and in any other medium as required under applicable regulations, at least one (1) month prior to the date set for the General Meeting to be held.

Notwithstanding the foregoing, Extraordinary General Meetings may be called no more than fifteen (15) days in advance. This shortened notification period shall require an express resolution adopted at an Annual General Meeting by, at least, two thirds of the subscribed capital entitled to vote, and which cannot be called beyond the date set for holding the next Annual General Meeting.

The notice shall state the name of the Company, the date and time of the meeting on first call, the office of the person or persons making the call and the agenda, which shall include the matters to be addressed, and any other mentions and information legally required for listed companies. The notice may also indicate the date of the second call, where applicable. At least twenty-four (24) hours must pass between the first and the second call. In any case, mention shall be made to the right of all shareholders to obtain from the Company, immediately and free of charge, any documents to be submitted for approval and, where applicable, the performance report and auditors report.

Shareholders representing at least three percent (3%) of the share capital may request the publication of a supplement to the call to an Annual General Meeting of Shareholders that includes one or more items on the agenda, provided the new items are accompanied by a justification or, where applicable, a justified motion. The exercise of this right, which may by no means be exercised with respect to an Extraordinary General Meeting, must be made by certified notice, to be received at the registered office, within five (5) days of the publication of the call.

The supplement to the call must be published at least fifteen days prior to the date established for the General Meeting.

Furthermore, shareholders representing at least three percent (3%) of the share capital may, within five (5) days of the publication of the call, present reasoned resolution proposals on matters already included or to be included in the agenda of the Annual or Extraordinary General Meeting. As these proposals are received, the Company shall ensure that the proposals and any accompanying documentation, if any, are disseminated among the other shareholders by publishing them uninterruptedly on the Company's website for the term established by current regulations.

Article 17. Authority and obligation to call

The administrators shall call a General Meeting whenever it is deemed necessary or opportune to the interests of the Company and when so required by law. A General Meeting must also be called when requested by shareholders representing three percent (3%) of the share capital, stating in their request the matters to be addressed thereat. In such case, a General Meeting must be called within the term and according to the requirements established to this effect according to the current legislation. The administrators shall prepare the agenda for the meeting, which shall include the matters that were set forth in the request for a meeting.

Article 18. Right to information

Shareholders may request of the administrators, pursuant to the Regulations of the Company's General Meeting, up to five (5) days prior to the General Meeting, any information or clarifications deemed necessary regarding the items on the agenda, or present any questions they deem relevant in writing. The shareholders may also ask the administrators, in writing and within the same time period, for the clarifications they deem necessary regarding the information available to the public that the Company has provided to the Spanish Securities Market Commission since the last General Meeting and regarding the auditors report. The administrators shall provide the information in writing up to the date on which the General Meeting is held.

The requests for information or clarifications that, in relation to the items referred to in the previous paragraph, shareholders make to the Chairman during the General Meeting, or in writing from the fifth day before the General Meeting is held, will also be answered verbally during the meeting by any of the directors present, at the behest of the Chairman. Should it not be possible to satisfy the shareholder's right at that time, any pending information shall be furnished in writing within seven (7) days of the conclusion of the General Meeting.

The administrators are required to provide the information referenced in the preceding paragraphs, except in cases in which such information is not necessary for the protection of the rights of the shareholder, when there are objective reasons which indicate that the information could be used for purposes outside of the company, or when disclosure of the information could be damaging to the Company or its associated companies. Violation of the right to information during a General Meeting shall not be considered grounds to contest the General Meeting.

Nevertheless, the requested information cannot be denied when the request is backed by shareholders representing at least twenty-five percent (25%) of the share capital. The shareholder shall be liable for any damages caused by abusive or damaging use of the requested information.

From the publication of the notice of the call for a General Meeting and until said General Meeting is held, the Company must publish, uninterruptedly on the Company's website, all the information legally required and such other as the Board of Directors deems opportune.

Shareholders' right to information may be serviced on the Company's website and the documents and information required by law, these Company Bylaws and the Company's other internal regulations shall be published, along with any information deemed opportune to be made available to the shareholders and investors by these means.

Valid requests for information, clarifications or questions made in writing, and the replies thereto made in writing by the administrators, shall be included on the Company's website. Notwithstanding, when, prior to the formulation of a specific question, the information requested is clearly, expressly and directly available to all shareholders on the Company's website in a question-answer format, the directors may limit their reply to referring to the information already provided in that format.

Article 19. Right of attendance

Shareholders may attend and vote at General Meetings, directly or duly represented when, individually or as a group, they hold at least five hundred shares, which must be registered in the shareholder register five days prior to the date for which the General Meeting is scheduled and this is proved by presenting, at the registered office or at the entities specified in the call, the relevant validation certificate or the attendance card issued by the Company or entities in charge of keeping the shareholder register, or by any other means foreseen by the current legislation.

The Company's Board of Directors may enable, for each General Meeting, remote attendance by the shareholders and proxies by electronic means concurrently. In such event, the Board of Directors will establish the terms, forms and means set for shareholders and proxies to exercise their rights, in accordance with the laws, these Company Bylaws and the Regulations of the General Meeting. All this will be included in the notice of the meeting.

The members of the Board of Directors must attend the General Meetings. Their attendance shall nonetheless not be required for a General Meeting to be validly constituted.

The General Meetings may also be attended by the executives, technicians and other persons that, in the opinion of the Board of Directors, are interested in the proper performance of company matters and whose participation at the General Meeting, when necessary, could be useful to the Company. The Chairman of the General Meeting may authorize the attendance of any person that he deems appropriate, although the General Meeting may revoke said authorization.

Article 20. Representation and absentee voting

All shareholders entitled to attend may be represented at a General Meeting by anyone. Representation must be granted in writing and specifically for each General Meeting, pursuant to the terms and scope of the Spanish Limited Liability Companies Law.

The proxy authorization may always be revoked. The attendance by the principal at a General Meeting shall be tantamount to revocation of the representation.

With respect to cases of a public request for representation and, specifically, to a possible conflict of interests of the representative, the provisions of the law shall apply.

Shareholders may exercise or delegate their absentee vote, pursuant to the Regulations of the General Meeting, provided the identity of the shareholder and, where applicable, the safety of the electronic communications is duly guaranteed, in compliance with the current legislation.

Shareholders casting an absentee vote shall be considered in attendance for the purposes of the quorum of the General Meeting.

Once the notice of the call for a General Meeting is published and until the General Meeting is held, the Company shall publish uninterruptedly on the Company's website information regarding how to cast an absentee vote, including electronic means, so that the shareholders may use this information to exercise their representation, voting and, where applicable, attendance rights.

Article 21. Quorum

A General Meeting, whether annual or extraordinary, shall be validly constituted, on first call, when attended by shareholders, in person or by proxy, accounting for at least twenty-five percent (25%) of the subscribed share capital with voting rights. On second call, a General Meeting shall be validly held regardless of the share capital in attendance.

Article 22. Special quorum

Notwithstanding the provisions of the preceding Article, for it to be possible at a General Meeting to validly agree upon increasing or reducing the capital or any other modification of the Company Bylaws, issuing bonds that can be converted into shares or those bonds which allow the holder to receive a stake in the Company's profits, suppressing or limiting the pre-emptive rights on new shares, in addition to the transformation, merge, demerger or overall assignment of the assets and liabilities, the transfer of the registered office abroad or any other matter determined by law, said General Meeting must be attended, on first call, by shareholders, directly or by proxy, accounting for at least fifty percent (50%) of the subscribed share capital with voting rights. On second call, the attendance of twenty-five percent (25%) of the share capital shall suffice.

Article 23. Chairman, Secretary and Bureau of the General Meeting

The Chairman of the General Meeting shall serve as Chairman of the Board of Directors, or failing which, the most senior Vice President among those appointed; and, as Secretary, either the Secretary or Vice Secretary of the Board of Directors. In the absence of those mentioned above, the Chairman and Secretary of the presiding board shall be designated by the shareholders in attendance at the General Meeting.

Together with the Chairman and the Secretary, the Bureau of the General Meeting shall consist of the remaining members of the Board of Directors in attendance thereat.

Article 24. List of attendees

Before turning to the Agenda, a list of those in attendance shall be made, stating the capacity or representation of each, and the number of shares they own or represent.

At the end of the list, the number of shareholders present or represented shall be determined, as well as the amount of capital they represent, specifying to the number of shareholders with voting rights.

The list of attendees shall be included at the beginning of the minutes or shall be attached thereto by appendix signed by the Secretary, with the approval of the Chairman. When the minutes are notarised, the list of attendees need only to be attached to said minutes.

The list of attendees may also be included in a manual or computer file.

Article 25. Adoption of resolutions

At a General Meeting, a separate vote shall be cast for matters that are substantially independent. Although included in the same point on the agenda, the following matters shall be voted on separately (i) the appointment, ratification, reelection or removal of each Director; (ii) the amendment of the Company Bylaws, of each article or group of articles that are self-regulated; and (iii) the matters pursuant to the Bylaws.

The resolutions reached by the General Meeting shall be adopted by a majority of the votes of the shareholders present or represented thereat, with a resolution being deemed adopted when more votes are obtained in its favor than against it from among the share capital present or represented. Pursuant to Article 22 of these bylaws, if the share capital present or represented is in excess of fifty percent (50%), the resolution may be adopted by an absolute majority. However, the favorable vote of two thirds of the capital present or represented on the vote shall be required when, on second call, shareholders representing twenty-five percent (25%) or more of the subscribed capital with voting rights are in attendance but without reaching fifty percent (50%).

Each share carries one vote.

For each resolution, the number of shares with respect to the number of valid votes cast will be determined, as well as the proportion of share capital represented by such votes, the aggregate number of valid votes, the number of votes in favor and against each resolution and, applicable necessary, the number of abstentions.

The resolutions passed and the outcome of the votes shall be published in their entirety on the Company's website within five (5) days of the conclusion of the General Meeting.

Article 26. Minutes of the General Meeting

The resolutions of the General Meetings shall be drafted by the Secretary and contain all of the resolutions passed and the requirements and circumstances that must be met pursuant to current regulations. The minutes of the General Meeting must be approved at the General Meeting itself at its end or, failing which, within a period of fifteen (15) days by the Chairman and two (2) comptrollers, one on behalf of the majority and the other on behalf of the minority.

The minutes approved by either of these two means shall be executable as of the date they were approved. The certifications of the minutes shall be issued and the resolutions shall be notarised by those with legitimate power to do so, as determined by these Bylaws and the Commercial Registry Regulations.

The administrators may request the presence of a Notary Public to notarize the minutes of a General Meeting and shall be required to do so if, five (5) days prior to the General Meeting, his/her presence were so requested by shareholders representing at least one percent (1%) of the share capital. The notary certificate, which shall serve as the minutes of the General Meeting, shall not require approval or the signature of the Chairman or Secretary of the General Meeting, and must be transcribed into the Company's Minutes Ledger. Resolutions included therein may be executed from the date they are passed.

B) ADMINISTRATION

Article 27. Administrative body

The management, administration and representation of the Company in and out of trial shall be the responsibility of the Board of Directors, acting jointly, focusing their activity mainly on the supervision and control of the Company, and the consideration of all matters that are particularly transcendent for the Company.

The enforcement of resolutions shall be the responsibility of the members of the Board of Directors designated thereby, including the Secretary and the Vice Secretary of the Board; or the attorney-in-fact with the authority to enforce company resolutions.

The Board of Directors is vested with the broadest powers for all matters pertaining to the administration, representation and management of the Company, and the administration and provision of its equity, and it is provided with all the authority not attributed by law or these Bylaws to the General Meeting of Shareholders.

Article 28. Duration of office and bans

The members of the Board of Directors shall be appointed at the General Meeting for a term of four (4) years, and may be reelected to office, one or more times, for the same terms. To be appointed to the office of Director it is not necessary to be a shareholder.

Non-emancipated minors, those who are legally unqualified, those disqualified under the Bankruptcy Act while their term of disqualification established in the bankruptcy judgment is still in effect, and those sentenced for crimes against freedom, equity or against the socioeconomic order, collective security, the Justice Administration or for any other type of dishonest crime, and those whose office precludes them from engaging in trade, cannot serve as administrators.

Public Administration employees whose duties relate to corporate activities, judges or other persons subject to legal incompatibilities are also not eligible to be Administrators.

Article 29. Organisation, quorum, adopting resolutions, internal structure and delegation of powers

1. The Board of Directors shall consist of at least five (5) members and at most fifteen (15) members. The Directors shall be classified as either executive Directors or non-executive Directors. In the latter category, the Directors may be classified as either proprietary, independent or other external Directors. Such terms shall have the meaning attributed to them pursuant to current legislation and as specified by the Regulations of the Board of Directors.

Directors may be individual or legal entities. Should a legal entity be appointed as a member of the Board of Directors, the entity must appoint a single individual to permanently exercise the functions inherent to the office. Such person may be replaced by another, but this replacement must be informed in writing to the Board of Directors of the Company with sufficient time in advance of the date when said replacement becomes effective and shall be subject to the same approval as the initial appointment.

Should any vacancies open during the term for which they were appointed, the Board may designate the persons to occupy them until the first General Meeting, unless this General Meeting has already been called, in which case the Board of Directors may designate a single Director until the following General Meeting is held.

The Board of Directors, upon receipt of a report by the Appointments and Remuneration Committee, shall appoint from among its own members a Chairman and, where applicable, one or several Vice Presidents, who shall be subject to reelection and revocation at the Board's request.

The Board shall appoint, upon receipt of a report by the Appointments and Remuneration Committee, a Secretary and, where applicable, an Vice Secretary. The Secretary and the Vice Secretary may or may not be Directors. If they are not Directors, they shall be entitled to be heard but not to vote. The same procedure shall be followed to accord the removal of the Secretary and, where applicable, the Vice Secretary. The Vice Secretary may attend Board of Directors meetings in the absence of the Secretary or when so requested by the Chairman of the Board.

When so decided by the Board itself and when the Chairman is also the executive Director, the Board of Directors shall appoint, with the executive Directors abstaining, a coordinating Director from among the independent Directors, who shall be specially authorised to call the Board of Directors or to include new items on the agenda of a previously called Board Meeting, as well as coordinate and assemble the non-executive Directors and, where applicable, lead periodic evaluations of the Chairman of the Board of Directors.

The Board shall meet at least once per quarter and whenever convened by the Chairman or whomever is acting in his/her stead. The Chairman must call a meeting of the Board of Directors when requested by at least one third of the members of the Board. In this case, if the Chairman has not called a meeting within one (1) month, without just cause, the Board may be convened by the Directors who have requested the meeting, specifying the agenda for the meeting, to be held in the city where the registered office is located. In addition, the coordinating Director shall be specially empowered to request that a Board of Directors be called.

2. The Directors are required to personally attend the meetings of the Board of Directors. A Board meeting shall be validly established when attended, in person or by proxy through another Director, by a majority of its members. Representation must be done in writing and specifically for each meeting, and only in favor of another member of the Board. However, non-executive Directors may only be represented by another non-executive Director.
3. Resolutions shall be adopted by an absolute majority of those in attendance at the meeting. In the case of a tie, the Chairman shall have the deciding vote.

4. The Director shall refrain from participating in the deliberation and voting on resolutions or decisions in which he/she or a related person has a direct or indirect conflict of interests. The votes of Directors affected by the conflict of interest and who must abstain shall be deducted for purposes of calculating the majority of votes necessary. Resolutions or decisions that affect the director in his position as director, such as the appointment or revocation of positions in the governing body or others of a similar nature, are excluded from this obligation to abstain.

Voting in writing without a meeting shall be valid if no Director opposes the process. Discussions and resolutions passed by the Board shall be kept in a Minutes Ledger, which must be signed by the Chairman and the Secretary.

5. Notwithstanding the powers that may be granted to anyone, the Board may permanently delegate some or all of its powers, other than the legal exceptions, to an executive commission and to one or several Managing Directors, establishing the content, limits and types of powers delegated. Permanently delegating one or more of the functions of the Board of Directors to an executive commission or one or several Managing Directors and designating the administrators who will hold such offices shall require the favorable vote of two thirds of the members of the Board of Directors in order to be valid and shall have no effect until registered in the Commercial Registry.

Article 30. Compensation

1. The office of Director shall be remunerated.
2. The Company's compensation system shall consist of the following items:
 - (i) fixed monthly compensation, determined by membership on the Board and its committees;
 - (ii) allowances for attending Board of Directors meetings and its committees; and
 - (iii) compensation for the Directors based on the listing value of the shares or that includes receiving shares or stock options. This type of compensation must be agreed upon at the General Meeting of Shareholders, at which point the maximum number of shares that may be assigned per fiscal year will be determined, as will the exercise price or the system to calculate the exercise price for stock options, the value of the shares that, where applicable, are used as reference and the term of duration of the plan.
3. At least every three (3) years, at a General Meeting of Shareholders, a compensation plan for the Directors must be approved as a separate item on the agenda. This plan must follow the guidelines referenced in the preceding section. Any modification or substitution thereof shall require approval at a General Meeting of Shareholders according to the procedure established by law and the Regulations of the Board of Directors of the Company.

The compensation policy for the Directors shall determine the compensation of the Directors in their capacity as such within the compensation established in these bylaws and shall include the maximum amount of the annual compensation be paid to the group of administrators.

The determination of each Director's compensation shall be made by the Board of Directors, which shall take into account, for such purpose, the functions and responsibilities to be attributed to each Director, their membership in Board committees and other objective circumstances deemed relevant.

The application of this compensation plan shall be proportionated to the importance of the Company, the economic situation at the time and the market standards of comparable companies. It shall also aim to promote the profitability and long-term sustainability of the Company, avoiding excessive risk and rewarding negative results.

4. Compensating Directors for the performance of their executive functions shall conform to the Director's compensation policy, which necessarily must consider the amount of any fixed annual payments and any changes over the period to which the policy refers, the different parameters for establishing variable components and the main terms and conditions of their contracts including, in particular, their duration, compensation for premature termination or for the end of employment as well as exclusivity, non-compete and permanence agreements, and loyalty programs.

The Board of Directors shall establish the compensation of the Directors for the performance of executive functions and according to the terms and conditions of their contracts with the Company pursuant to the compensation policy approved at the General Meeting. The contract shall set out in detail all of the items for which compensation may be obtained for performing executive functions, including, where applicable, possible compensation for early discontinuation of these functions, and the amounts to be paid by the Company as insurance premiums or contributions to savings plans. Directors shall not receive any compensation for performing executive functions whose amounts or concepts are not listed in their contracts.

5. The Board shall prepare an Annual Report on the compensation of its Directors, which shall include complete, clear and understandable information on the compensation plan of the Directors applicable to that fiscal year. It will also include an overall summary on the implementation of the compensation policy in the previous fiscal year, as well as details of individual compensations paid for all items for each of the Directors that year. The report will be disclosed and put to a vote as a separate advisory item on the agenda at the Annual General Meeting of Shareholders.

Article 31. The Committees of the Board

The Board of Directors shall create an Audit and Control Committee and an Appointments and Remuneration Committee.

The essential function of the Audit and Control Committee and the Appointments and Remuneration Committee shall be to support the Board of Directors in the supervision and direction of the management of the Company. The members of these committees shall be appointed by the Board of Directors to which they shall respond in the performance of their functions.

Notwithstanding the above, the Board of Directors may create specialised committees, determining their structure, designating their members and establishing the functions that each one of them is to have.

Article 32. Audit and Control Committee

The Audit and Control Committee shall consist of a minimum of three and a maximum of eight Directors appointed by the Board and all of them must exclusively be non-executive Directors. The Audit and Control Committee shall be made up of the number of Independent Directors as determined by law and at least one of them shall be designated taking into account his/her knowledge and experience in accounting and auditing matters, or both.

Overall, the members of the Audit and Control Committee shall have the relevant technical knowledge in relation to the Company's business sector.

The Audit and Control Committee shall appoint a Chairman from among its members, which must be an Independent Director. The Chairman of the Audit and Control Committee must be replaced every four years and may be re-elected after a period of one year from having left the position.

Additionally, the Committee shall appoint a Secretary from among its members, or may designate the Secretary of the Board to fill this position. In the absence of the Secretary of the Committee, the Secretary of the Board shall perform his/her functions, or, where applicable, the Vice Secretary of the Board. The Committee may designate, where applicable, a Vice President, who will also have to have independent status.

In any case, at their meetings, the Committee may rely on the technical assistance of the Secretary of the Board, or the Vice Secretary of the Board, at the request of the Chairman of the Committee.

The members of the Committee shall leave office when they no longer have Director status or when the Board of Directors so agrees.

Notwithstanding any other functions the Audit and Control Committee may be attributed by law, the Company Bylaws or, in accordance therewith, by the Regulations of the Board of Directors, it shall at least have the following functions:

1. Report to the General Meeting of Shareholders on the matters arising in relation to such matters as are within the jurisdiction of the Committee and, specifically, the result of the audit, explaining how it has contributed to the integrity of the financial information and the function that the Committee has performed in such process.
2. To monitor the effectiveness of the Company's internal controls, its internal auditing and its risk management systems, and to discuss any significant weaknesses detected during the audit with the Company's internal control system with the auditor without losing its independence. To this end, and where applicable, the Audit and Control Committee may present recommendations or proposals to the Board of Directors as well as the time frame to apply them.
3. To monitor the process of preparing and submitting the required financial information and to submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.

4. Present to the Board of Directors the proposals for the selection, appointment, reelection and replacement of the accounts auditors, assume responsibility for the selection process, pursuant to current regulations, and the contracting conditions and regularly gather information from it on the auditing plan and its performance, as well as preserve its independence in the performance of its functions.
5. Establish contact with the external auditor to receive information on matters concerning their impartiality to be discussed by the Committee or any other matters relating to the account auditing process and, where applicable, the authorization of services other than those that are prohibited pursuant to current regulations, regarding impartiality, and such other communications established in the accounts auditing laws and auditing standards. In any case, the Auditing and Control Committee must receive annually from the external auditors the statement of their impartiality with respect to the Company or directly or indirectly to associated entities, and the detailed and individualized information of the additional services of any sort provided as well as any fees received from these entities by the external auditor or by the persons or entities relating thereto, pursuant to the regulations governing accounts auditing.
6. To issue a report every year, prior to the release of the accounts auditing report, in which an opinion is expressed on whether the independence of the auditors or the auditing firms has been compromised. This report must contain a justified valuation of the provision of all of the additional services referenced in the preceding item, considered individually or as a whole, in addition to the legal audit and regarding impartiality or the regulations governing accounts auditing.
7. Report to the Board of Directors, in advance, on all matters pursuant to the law, the Company Bylaws and the Board Regulations.
8. To prepare an annual report on the activities of the Audit and Control Committee, which must be included in the management report.
9. To propose any other issues that may arise on matters that are within the powers of the Appointments and Remuneration Committee to the Board of Directors.
10. Other functions which, where applicable, are attributed thereto by these bylaws or the Regulations of the Board of Directors.

The Audit and Control Committee shall meet to fulfill its functions whenever requested by at least two (2) of its members or when decided by the Chairman, who is authorised to call meetings. The call notice shall be valid provided it is sent by any means that allows acknowledgement of its receipt.

The Audit and Control Committee shall be validly established when attended by, in person or by proxy, the majority of its members, and its resolutions shall be adopted by a majority of the members in attendance, either in person or by proxy. The Committee member concerned shall refrain from participating in the deliberation and votes on resolutions or decisions in which he/she or an associated person has a direct or indirect conflict of interest. The votes of Directors affected by the conflict of interest and who must abstain shall be deducted for purposes of calculating the majority of votes necessary. Representation must be conferred in writing and specifically for each meeting, and only to another member of the Committee. In the case of a tie, the Chairman's vote shall break the tie.

The minutes shall be drafted of the Committee meetings and shall be made available to all members of the Board of Directors.

These rules regarding the Audit and Control Committee shall be drafted in accordance with the Regulations of the Board of Directors and shall, at all times, strive to be impartial.

Article 33. Appointments and Remuneration Committee

The Appointments and Remuneration Committee shall consist of at least three (3) and at most eight (8) Directors, appointed by the Board of Directors, and all of them must be non-executive Directors. The Appointments and Remuneration Committee shall consist of the number of independent Directors as established by law.

The Appointments and Compensation Committee shall designate a Chairman from among its members, who must in any case be an Independent Director.

Additionally, the Committee shall designate a Secretary from among its members, though it may designate the Secretary of the Board to fulfill these functions. In the absence of the Secretary of the Committee, the Secretary of the Board or, where applicable, the Vice Secretary of the Board shall fulfill the functions of the office. The Committee shall designate, where applicable, a Vice President who must also have independent status.

In any case, at their meetings, the Committee may rely on the technical assistance of the Secretary of the Board, or the Vice Secretary of the Board, at the request of the Chairman of the Committee.

The members of the Committee shall leave office when they no longer have director status or when the Board of Directors so agrees.

Notwithstanding any other functions attributed by law, these Company Bylaws or, in accordance therewith, the Regulations of the Board of Directors, the Appointments and Remuneration Committee shall at least have the following functions:

1. Assess the competences, knowledge and experience necessary on the Board of Directors. To this end it shall define the necessary functions and aptitudes for candidates to fill each vacancy, and shall assess the time and commitment that are required to enable them to carry out their functions properly.
2. Establish a target to represent the sex with lesser representation on the Board of Directors, and draw up guidelines on how to meet this target.
3. Present to the Board of Directors proposals for the appointment of independent Directors either by co-option or to be submitted to decision at a General Meeting, in addition to proposals for the reelection or removal of these Directors at a General Meeting of Shareholders.
4. Report the proposals for the appointment of the remaining Directors either by co-option or to be submitted to decision at a General Meeting, in addition to the proposals for their reelection or removal at a General Meeting of Shareholders.
5. Reporting proposals to appoint and dismiss senior officers and the basic conditions of their contracts.

6. Study and plan for the succession of the Chairman of the Board of Directors and of the chief executive officer of the Company and, where applicable, present proposals to the Board of Directors for the succession to take place in an orderly and planned manner.
7. Propose to the Board of Directors a compensation plan for the Directors and for the general directors or those performing these senior management functions and are directly dependent on the Board, for the executive commission or for the CEO, and the individual compensation and other contractual conditions of the executive Directors who enforce compliance.
8. To propose any other issues that may arise on matters that are within the powers of the Appointments and Remuneration Committee to the Board of Directors.
9. Other functions which, where applicable, are attributed thereto by these bylaws or the Regulations of the Board of Directors.

The Appointments and Remuneration Committee shall meet to fulfill its functions whenever requested by at least two (2) of its members or when decided by the Chairman, who is authorised to call meetings. The call notice shall be valid provided it is sent by any means that allows acknowledgement of its receipt.

The Appointments and Remuneration Committee shall be validly established when attended by, in person or by proxy, the majority of its members, and its resolutions shall be adopted by a majority of the members in attendance, either in person or by proxy. The Committee member concerned shall refrain from participating in the deliberation and votes on resolutions or decisions in which he/she or an associated person has a direct or indirect conflict of interest. The votes of Directors affected by the conflict of interest and who must abstain shall be deducted for purposes of calculating the majority of votes necessary. Representation must be conferred in writing and specifically for each meeting, and only to another member of the Committee. In the case of a tie, the Chairman's vote shall break the tie.

Committee meetings shall be made public through its minutes, which shall be provided to all members of the Board.

These rules regarding the Appointments and Remuneration Committee shall be drafted in accordance with the Regulations of the Board of Directors and shall, at all times, strive to be impartial.

TITLE IV FISCAL YEAR AND ANNUAL FINANCIAL STATEMENTS

Article 34. Fiscal year

The fiscal year shall begin on January first and end on December thirty-first of each year.

Article 35. Annual financial statements

The Company must keep, pursuant to the Commercial Code, orderly account records that are appropriate to the Company's business activity of its company and which allow the chronological tracking of its operations, as well as the preparation of inventories and balance sheets. The accounting ledgers must be legalized by the Commercial Registry that has jurisdiction over the Company's registered office.

The administrators shall be required to prepare, within three (3) months of the end of the fiscal year, the annual financial statements, a management report and a proposal for the application of the results.

The annual financial statements shall include a balance sheet, a profits and losses statement, a statement of net equity, a cash flow statement and the auditor's report. These documents must be drafted in a clear manner and reflect the true picture of the Company's equity, financial position and the results, as established by law and the Commercial Code, and must be signed by all of the administrators.

Article 36. Filing the annual financial statements

Within a month after the approval of the annual financial statements and the management report, the administrators of the Company shall present both documents, together with a timely certification which demonstrates the General Meeting's resolutions approving such statements, duly signed, and of the application of the results, to be deposited with the Commercial Registry in accordance with the law.

Article 37. Reserves. Distribution of dividends

The shareholders at the General Meeting shall resolve to distribute profit, with strict observance of any legal provisions applicable to the Company at any given time.

Dividends shall be distributed shareholders in proportion to the share capital they have disbursed.

The shareholders at the General Meeting or the Board of Directors may resolve to distribute interim dividends with the limitations and in compliance with the requirements of the regulations applicable.

Article 37. bis. Special rules for the distribution of dividends

1. Those entitled to receive dividends shall be those listed as legitimate in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima Unipersonal (Iberclear) on the day or date determined by the General Meeting or, if applicable, the Board of Directors, which has agreed to carry out the distribution.
2. Dividends shall be paid within one month from the date when the dividend distribution was agreed.
3. Once the dividend is approved by the shareholders at the General Meeting or, where applicable, by the Board of Directors, the Board, without prejudice to the possibility of delegation to one or more members of the Board, and to independent third parties, shall be responsible for calculating the amount corresponding to each shareholder considering, as the case may be, the provisions below.

For the purposes of calculating the amount to be paid to shareholders in connection with dividends, the Board of Directors shall consider the amount of the compensation owed to the Company by shareholders in accordance with Article 8 bis of these bylaws, for the purposes of offsetting the amount of compensation with the dividend they would be entitled to receive.

In this regard, any present and future dividends payable to the shareholder shall be offset with any amounts that the shareholder may owe to the Company in accordance with Article 8 bis of these bylaws.

4. In cases in which the dividend is paid ahead of the timeframes stipulated for compliance with the ancillary provisions stipulated in Article 8 bis of these bylaws, the Company may withhold from Company shareholders who have not yet supplied the information and documentation required a sum equivalent to the amount of any compensation for which they may be liable in accordance with the stipulations of sub paragraph 2 of Article 8 bis of these bylaws. Once the related ancillary provision has been met, the Company shall refund the amounts withheld from the shareholder who is not obliged to compensate the Company in accordance with the stipulations of sub paragraph 2 of Article 8 bis of these bylaws.
5. If applicable, the rules established in this article shall also apply in cases of distribution to shareholders of amounts similar to the dividends (e.g. reserves).

TITLE V DISSOLUTION AND LIQUIDATION

Article 38. Dissolution

The Company shall be dissolved on the grounds set out by law. In case of dissolution, the administrators shall be responsible for liquidating the Company. These administrators, in their roles as liquidators, shall perform the liquidation and division pursuant to the resolutions reached at the General Meeting and to current provisions. Liquidation will not apply to full merge or demerger.

Article 39. Distribution of company assets

Upon satisfying all creditors and repaying all loans made against the Company, and handling those not yet accrued, the resulting assets shall be distributed among the shareholders in accordance with the law.

APPENDIX I: EXAMPLE OF CALCULATION OF COMPENSATION

Following is an example of calculation of the compensation, showing that the effect of compensation on the Company's income statement is zero:

CASE 1:

Shareholder of Inmobiliaria Colonial holding shares in the Company in a percentage equal to or greater than 5% of share capital, paying tax on the dividend distributed by the Company at an effective tax rate of less than 10%.

$$IE = DTE * \% \text{ acc} * GEE * (1 + (TgE / (1 - TgE)))$$

where:

DTE: Total dividend distributed by Inmobiliaria Colonial to the shareholder.

% acc: Percentage holdings of the shareholder in default.

GEE: Special levy applicable in Spain (currently 19%).

IE: Compensation for Spanish dividend received by Inmobiliaria Colonial.

TgE: Tax rate in Spain which would be applicable to income from the compensation received from the shareholder in default.

CASE 2:

Shareholder of Inmobiliaria Colonial that is not an individual entity and holds shares of the Company in a percentage equal to or greater than 10% of share capital, and pays tax on the dividend distributed by the Company at an effective rate of less than 1/3 of general French corporate tax.

$$IF = DTF * GEF * (1 + (TgE / (1 - TgE)))$$

where:

DTF: Total dividend distributed by SFL to Inmobiliaria Colonial.

GEF: Special levy applicable in France (currently 20%).

IF: Compensation for French dividend that shall be received by Inmobiliaria Colonial.

TgE: Tax rate in Spain which would be applicable to income from the compensation received from the shareholder in default.

CASE 3:

Shareholders of Inmobiliaria Colonial that simultaneously meet the conditions stipulated in Case 1 and Case 2 above.

$$I_{E+F} = [DT_E * \% \text{acc} * GE_E * (1 + (Tg_E / (1 - Tg_E)))] + [DT_F * GE_F * (1 + (Tg_E / (1 - Tg_E)))]$$

where:

DT_E: Total dividend distributed by Inmobiliaria Colonial to the shareholder.

DT_F: Total dividend distributed by SFL to Inmobiliaria Colonial.

% acc: Percentage holdings of the shareholder in default.

GE_E: Special levy applicable in Spain (currently 19%).

GE_F: Special levy applicable in France (currently 20%).

I_E: Compensation for Spanish dividend received by Inmobiliaria Colonial.

I_F: Compensation for French dividend that shall be received by Inmobiliaria Colonial.

Tg_E: Tax rate in Spain which would be applicable to income from the compensation received from the shareholder in default.